

Supporting Statement for Paperwork Reduction Act Submissions
30 CFR Parts 202, 206, 210, 217, and 218—Valuation of Geothermal Resources
OMB Control Number 1010-NEW

General Instructions

A Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(i)(iv) and its actual or estimated date of publication in the *Federal Register*, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified in Section A below. If an item is not applicable, provide a brief explanation. When Item 17 of the OMB Form 83-I is checked “Yes,” Section B of the Supporting Statement must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The Secretary of the U.S. Department of the Interior is responsible for matters relevant to mineral resource development on Federal lands. The Secretary, under the Mineral Leasing Act (30 U.S.C. 1923), the Geothermal Steam Act of 1970 (30 U.S.C. 1001-1007), and the Energy Policy Act of 2005 (Public Law 109-58) is responsible for managing the production of minerals from Federal lands, collecting royalties from lessees who produce minerals, and distributing the funds collected in accordance with applicable laws.

When a company or an individual enters into a lease to explore, develop, produce, and dispose of minerals from Federal lands, that company or individual agrees to pay the lessor a share (royalty) of the value received from production from the leased lands. The lease creates a business relationship between the lessor and the lessee. The lessee is required to report various kinds of information to the lessor relative to the disposition of the leased minerals. Such information is similar to data reported to private and public mineral interest owners and is generally available within the records of the lessee or others involved in developing, transporting, processing, purchasing, or selling of such minerals. The information collected includes data necessary to ensure that the royalties are paid appropriately.

Specific lease language varies; however, respondents agree by the lease terms to furnish statements providing the details of all operations conducted on a lease and the quantity and quality of all production from the lease at such times and in such form as the Secretary may prescribe. Currently, the regulations require respondents to provide accurate, complete, and timely reports for all minerals produced, in the manner and form prescribed by MMS in the Code of Federal Regulations (CFR).

Proposed Rule—Program Changes

The MMS is proposing new regulations implementing the Energy Policy Act of 2005 (EPAAct) governing the valuation of geothermal resources produced from Federal leases for royalty purposes. The new regulations would also amend the current MMS regulations for geothermal because the EPAAct changes the methodology for geothermal valuation and simplifies the calculations for geothermal resources for leases issued under the EPAAct or converted from Geothermal Steam Act (GSA) leases to EPAAct leases.

The Geothermal Valuation proposed rule, RIN 1010-AD32, contains new information collection requirements. The title of the new information collection request (ICR) is “30 CFR Parts 202, 206, 210, 217, and 218—Valuation of Geothermal Resources.” The new information collection affects the way electrical-generation lessees report on the Report of Sales and Royalty Remittance, Form MMS-2014, if they elect to modify their lease under the new regulations.

When this rule becomes effective, we will prepare the required Forms Office of Management and Budget (OMB) 83-C and transfer the burden hours to OMB Control Number 1010-0120 (expires 10/31/2007).

Background

Currently, there are 50 Federal producing geothermal leases in Utah, New Mexico, California, and Nevada, which include 15 electrical generation projects and 2 direct use projects (an onion drying plant and a project which uses geothermal heat to preheat greenhouses). Royalty revenues from Federal geothermal leases totaled approximately \$11,200,000 in 2005. Fifty percent of those revenues go to the states in which the leases are located (30 U.S.C. 191).

The current royalty valuation methods for geothermal resources are grouped by usage (electrical generation, direct use, and byproduct recovery), and by disposition of the resources (arm’s-length [unaffiliated] sales, non-arm’s-length sales, and no sales) within each use group. Currently, the valuation methods employed for geothermal leases in the CFR include 13 netback methods (equal to electrical sales value minus transmission and generating costs (30 CFR 206.352-354), 2 negotiated percentage-of-revenue methods covering The Geysers, and 2 direct use methods.

On October 28, 2004, MMS’s Royalty Policy Committee (RPC) formed the Geothermal Valuation Subcommittee (Subcommittee) to address MMS’s geothermal royalty valuation regulations in an effort to simplify the regulations and reduce administrative costs to the geothermal industry. The Subcommittee was composed of members from one industry association, several geothermal producers, two of the major states affected, and MMS staff. A representative of the Bureau of Land Management (BLM) served as technical advisor to the Subcommittee. The RPC requested that the Subcommittee work together to come up with more efficient royalty valuation methods that would ensure a fair return to the Federal Government as well as encourage geothermal development. The Subcommittee prepared a report and submitted it to the RPC, and on May 26, 2005, the RPC accepted the Subcommittee's recommendations.

This proposed rulemaking includes most of the Subcommittee's concepts, with modifications necessary to comply with the EPCA.

Applicable Citations

Primary authorities under which this proposed rule will be published include: The Energy Policy Act of 2005, the Geothermal Steam Act of 1970, and the Mineral Leasing Act of 1920 (Attachment 1).

The CFR citations referenced in this information collection are 30 CFR:

- Part 202—ROYALTIES, Subpart H—Geothermal Resources;
- Part 206—PRODUCT VALUATION, Subpart H—Geothermal Resources;
- Part 210—FORMS AND REPORTS, Subpart H—Geothermal Resources;
- Part 217—AUDITS AND INSPECTIONS, Subpart G—Geothermal Resources; and
- Part 218—COLLECTION OF ROYALTIES, RENTALS, BONUSES AND OTHER MONIES DUE THE FEDERAL GOVERNMENT, Subpart F—Geothermal Resources (Attachment 2).

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection. [Be specific. If this collection is a form or a questionnaire, every question needs to be justified.]

The burden hours for this information collection are regulatory requirements such as letter writing to obtain approvals or clarifications of new valuation reporting parameter specifications.

No additional burden hours are associated with Form MMS-2014 The Report of Sales and Royalty Remittance, Form MMS-2014, approved under OMB Control Number 1010-0140 (expires October 31, 2006) is the only report form document used for reporting geothermal royalties, certain rents, and other lease-related transactions to MMS (e.g., transportation and processing allowances, and lease adjustments). The MMS Minerals Revenue Management (MRM) relies on data reported by payors on Form MMS-2014 for the majority of our business processes. In addition to accounting for royalties reported by payors, the data is used for monthly distribution of mineral revenues and audit and compliance reviews. If MRM did not collect the information provided by Form MMS-2014 and through MRM approvals, it would be impossible to ensure that MMS is collecting and disbursing the full value of royalties received from production of leased lands. Collection of royalties directly impacts the amount of funds made available to the U.S. Treasury, state governments, and county governments.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden [and specifically how this collection meets GPEA requirements].

The MRM program is moving to fully implement the Government Paperwork Elimination Act. The burden hours for this information collection require written submissions requesting approvals from MRM. We expect 50 percent of respondents may submit electronically after coordination with MMS. Approximately 99 percent of all Form MMS-2014, approved under OMB Control Number 1010-0140 (expires October 31, 2006) submissions are received electronically.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

The information to be collected is unique and specific to the area of geothermal valuation. There is no other source of this information available, nor is there any other government agency currently collecting similar information for other purposes that could serve our needs.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

This collection of information does not have a significant economic effect on a substantial number of small entities. However, this collection of information will impact most of our approximately 11 payors. This includes small businesses as well as large corporations. Currently, there are no special provisions to provide relief for small businesses. However, MMS has a long-standing policy to restrict the amount of information collected to the minimum necessary to accomplish our mission and fulfill our responsibility.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Compliance Strategy

The MMS's compliance strategy calls for completion of all compliance activities, including audits, as soon as possible, not to exceed 3 years from the date the royalty payment was made or the payment was due, whichever is sooner. This information collection allows us to carry out compliance activities timely to meet this goal.

Geothermal Compliance Strategy

The geothermal compliance strategy is premised on a compliance team with property experts that have end-to-end compliance responsibility for the leases they are responsible for. Compliance must be achieved within 3 years from the date the royalty payment was received or due, whichever is sooner. Property expertise rests on the premise of receiving relevant data in a timely manner. In other words, compliance issues cannot be resolved in contemporaneous fashion unless the issues are identified early in the royalty cycle. Data supplied under the compliance strategy is principally market and contract data. Most valuation issues stem from the lessee's business activities with its customers.

Royalty valuation issues may include, but are not limited to, the sale of production to affiliated companies, improper deductions from proceeds received by the lessee, and other issues such as reviewing compensation received by the lessee for a wide variety of reasons, including, for example, breach of contract. Lessees cannot be expected to know which business arrangements or other activities represent royalty issues to MMS. Therefore, MMS must tie into the lessee's business arrangements and evaluate those arrangements as part of its compliance activities. MMS will use the sales contract and other market data to establish an expected basis for evaluation of the reasonableness of the reported royalty payment.

It is through this process of establishing expected payments versus actual payments and the supporting reported data that the property experts target royalty exceptions for resolution. Hence, without the required data flow, MMS cannot engage the company contemporaneously and timely resolve issues within the 3-year compliance time period. Instead, companies would necessarily be required to hold data for extended periods of time.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

(a) requiring respondents to report information to the agency more often than quarterly.

The required MRM approvals will be on occasion and as necessary and are dependent on industry decisions as to whether they will elect new reporting opportunities provided through the new rule. All burden hours from this information collection will be transferred to OMB Control Number 1010-0120 (expires 10/31/2007).

The Form MMS-2014 is submitted monthly, and on occasion, as necessary and the burden hours are approved under OMB Control Number 1010-0140 (expires 10/31/2006).

(b) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

Not applicable in this collection.

(c) requiring respondents to submit more than an original and two copies of any document.

Not applicable in this collection.

(d) requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than 3 years.

Federal lease records must be maintained for 6 years after the records are generated unless the Secretary notifies the record holder that such records must be maintained for a longer period due to an ongoing audit or investigation. When an audit or investigation is underway, records shall be maintained until the record holder is released by written notice of the obligation to maintain records.

(e) in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.

Not applicable in this collection.

(f) requiring the use of statistical data classification that has been reviewed and approved by OMB.

There are no special circumstances with respect to 5 CFR 1320.5(d)(2)(v) through (viii) because the collection is not a statistical survey and does not use statistical data classification.

(g) that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.

This collection does not include a pledge of confidentiality not supported by statute or regulation.

(h) requiring respondents to submit proprietary trade secrets or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

This collection does not require proprietary, trade secret, or other confidential information not protected by agency procedures.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice [and in response to the PRA statement associated with the collection over the past 3 years] and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. [Please list the names, titles, addresses, and phone numbers of persons contacted.] Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

As required in 5 CFR 1320.8(d), MMS will publish a proposed rule for review and comment notice in the *Federal Register*. The information collection burden hours are for regulatory matters requiring written request submissions for MMS approval. In addition, the Paperwork

Reduction Act (PRA) statement on Form MMS-2014 explains that MMS will accept comments on the information collected and the burden estimate at any time. We display the OMB control number and provide the address for sending comments to MMS. We will address comments in response to the *Federal Register* notice in the final rulemaking.

In addition, we requested input from the following companies regarding our burden hour estimates, and any other comments on the availability of data, frequency of collection, clarity of instructions and recordkeeping, disclosure, or reporting format.

HL Power Company

Mr. Ralph Sanders
732-025 Wendel Road
Wendel, CA 96136
530-254-6161

Caithness Operating Company

Mr. Joe Greco
9790 Gateway Drive
Suite 220
Reno, NV 89521
775-850-2245

Calpine Corporation

Mr. Kevin Talkington
Ms. Rachael Woodruff
10350 Socrates Mine Road
Middletown, California 95461
707-431-6191

The burden estimates in Section A.12 and Section A.13 reflect consultations with companies and our own analysis.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

We will not provide any payment or gift to respondents in this collection.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Commercial or financial information provided to MMS, relative to minerals removed from Federal and Indian leases, may be proprietary. Trade secrets and proprietary and other information are protected in accordance with standards established by the Federal Oil and Gas Royalty Management Act of 1982, as amended (30 U.S.C. 1733), and the Freedom of Information Act (5 U.S.C. 552(b)(4)) and its implementing regulations (43 CFR 2).

Storage of proprietary information and access to it are controlled by strict security measures.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

The collection does not include sensitive or private questions.

12. Provide estimates of the hour burden of the collection of information. The statement should:

(a) Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

(b) If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.

(c) Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.

There are approximately 11 respondents (Federal geothermal lessees). We estimate the total annual burden is 174 reporting hours and recordkeeping hours. Based on a cost factor of \$50 per hour, we estimate the total annual cost to industry is \$8,700 (\$50 x 174 hours = \$8,700). Responses are generally on occasion and monthly. We have not included in our estimates certain requirements performed in the normal course of business and considered usual and customary. The following chart shows the estimated burden hours by CFR section and paragraph.

SECTION A.12 BURDEN BREAKDOWN

30 CFR PARTS 202, 206, 210, 217, AND 218	REPORTING AND RECORDKEEPING REQUIREMENT	HOURLY BURDEN	AVERAGE NUMBER OF ANNUAL RESPONSES	ANNUAL BURDEN HOURS
PART 202—ROYALTIES				
SUBPART H—GEOTHERMAL RESOURCES				
§ 202.353 MEASUREMENT STANDARDS FOR REPORTING AND PAYING ROYALTIES.				
202.353	(a) For geothermal resources used to generate electricity, you must report the quantity on which royalty is due on Form MMS-2014 . . . (b) For geothermal resources used in direct use processes, you must report the quantity on which royalty or fee is due on Form MMS-2014 . . . (c) For byproducts, you must report the quantity on which royalty is due on Form MMS-2014 . . . (d) For commercially demineralized water, you must report the quantity on which royalty is due on Form MMS-2014 . . .	Burden covered under OMB Control Number 1010-0140 (expires October 31, 2006).		

30 CFR PARTS 202, 206, 210, 217, AND 218	REPORTING AND RECORDKEEPING REQUIREMENT	HOURLY BURDEN	AVERAGE NUMBER OF ANNUAL RESPONSES	ANNUAL BURDEN HOURS
	(e) You must maintain quality measurements for audit purposes.	The Office of Regulatory Affairs (ORA) determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		
PART 206—PRODUCT VALUATION				
SUBPART H—GEOTHERMAL RESOURCES				
§ 206.352 HOW DO I CALCULATE THE ROYALTY DUE ON GEOTHERMAL RESOURCES USED FOR COMMERCIAL GENERATION OF ELECTRICITY?				
206.352	(b)(1)(ii) A royalty determined by any other reasonable method approved by MMS under § 206.364 of this subpart.	1	1	1
§206.353 HOW DO I DETERMINE TRANSMISSION DEDUCTIONS?				
206.353	(c)(2)(i)(A) such purchase as necessary . . .	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions		
	(d)(9) Any other directly allocable and attributable operating expense which you can document, including . . .	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions		
	(e) Allowable maintenance expenses include: . . . (4) Other directly allocable and attributable maintenance expenses, which you can document.	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions		
	(g) To compute costs associated with capital investment . . . the lessee may not later elect to change to the other alternative without MMS approval.	1	1	1
	(h) To compute depreciation you may elect . . . you may not change methods without MMS approval.	1	1	1
	(l) . . . In conducting reviews and audits, MMS may require you to submit arm's-length transmission contracts, production agreements, operating agreements, and related documents.	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		
	(l) . . . Recordkeeping requirements are found at part 212 of this chapter.	Burden hours covered under OMB Control Number 1010-0140 (expires October 31, 2006).		
	(n) In conducting reviews and audits, MMS may require you to submit all data used to calculate the deduction. You must comply with any such requirements within the time MMS specifies.	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions		
	(n) Recordkeeping requirements are found at part 212 of this chapter.	Burden hours covered under OMB Control Number 1010-0140 (expires October 31, 2006).		

30 CFR PARTS 202, 206, 210, 217, AND 218	REPORTING AND RECORDKEEPING REQUIREMENT	HOURLY BURDEN	AVERAGE NUMBER OF ANNUAL RESPONSES	ANNUAL BURDEN HOURS
	(o)(2) You must submit corrected Form MMS-2014 to reflect adjustments to royalty payments in accordance with MMS instructions.	Burden hours covered under OMB Control Number 1010-0140 (expires October 31, 2006).		
§ 206.354 HOW DO I DETERMINE GENERATING DEDUCTIONS?				
206.354	(b)(1)(ii) You must redetermine your generating costs annually . . . you may not later elect to use a different deduction period without MMS approval.	1	1	1
	(c)(2)(i)(A) The purchase is necessary . . .	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		
	(d)(9) Any other directly allocable and attributable operating expense which you can document, including . . .	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions		
	(e) Allowable maintenance expenses include: . . . (4) Other directly allocable and attributable maintenance expenses, which you can document.	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions		
	(g) . . . After a lessee has elected to use either method, the lessee may not later elect to change to the other alternative without MMS approval.	1	1	1
	(h) To compute depreciation, you may elect to use either a straight-line depreciation method based on the life of the geothermal project, usually the term of the electricity sales contract or other depreciation period acceptable to MMS, or a unit-of-production method. After you make an election, you may not change methods without MMS approval.	1	1	1
	(l)(1) . . . In conducting reviews and audits MMS may require you to submit arm's-length power plant contracts . . .	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions		
	(l)(1) . . . Recordkeeping requirements are found at part 212 of this chapter.	Burden hours covered under OMB Control Number 1010-0140 (expires October 31, 2006).		
	(l)(3) . . . The MMS may require you to submit all data used to calculate the deduction.	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions		
	(l)(3) . . . Recordkeeping requirements are found at part 212 of this chapter.	Burden hours covered under OMB Control Number 1010-0140 (expires October 31, 2006).		

30 CFR PARTS 202, 206, 210, 217, AND 218	REPORTING AND RECORDKEEPING REQUIREMENT	HOURLY BURDEN	AVERAGE NUMBER OF ANNUAL RESPONSES	ANNUAL BURDEN HOURS
	(m)(2) You must submit corrected Forms-2014 to reflect adjustments to royalty payments in accordance with MMS instructions.	Burden hours covered under OMB Control Number 1010-0140 (expires October 31, 2006).		
§ 206.356 How do I calculate royalty due on geothermal resources I use for direct use purposes?				
206.356	(a)(1) The weighted average of the gross proceeds . . . In evaluating the acceptability of arm's-length contracts . . .	1	1	1
	(a)(2) . . . The efficiency of the alternative energy source shall be . . . or proposed by the lessee and approved MMS.	48	2	96
	(a)(3) A royalty determined by . . . approved by MMS	1	1	1
	(b)(3) . . . you must provide MMS data showing the amount of geothermal production in pounds or gallons of geothermal fluid to input into the fee schedule . . .	1	1	1
	(c) For geothermal resources other than hot water, MMS will determine fees on a case-by-case basis.	1	1	1
§ 206.357 How do I calculate royalty due on byproducts?				
206.357	(c) A value determined by any other reasonable valuation method approved by MMS.	1	1	1
§ 206.358 WHAT ARE BYPRODUCT TRANSPORTATION ALLOWANCES?				
206.358	(d) Reporting requirements. (1) Arm's-length contracts. (i) You must use a discrete field on Form MMS-2014 to notify MMS of a transportation allowance.	Burden hours covered under OMB Control Number 1010-0140 (expires October 31, 2006).		
	(d)(1)(ii) In conducting reviews and audits, MMS may require you to submit . . .	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions		
	(d)(1)(ii) Recordkeeping requirements are found at part 212 of this chapter.	Burden hours covered under OMB Control Number 1010-0140 (expires October 31, 2006).		
	(d)(2) Non-arm's-length or no contract. (i) You must use a discrete field on Form MMS-2014 to notify MMS of a transportation allowance.	Burden hours covered under OMB Control Number 1010-0140 (expires October 31, 2006).		
	(d)(2)(iii) In conducting reviews and audits, MMS may require you to submit . . .	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions		

30 CFR PARTS 202, 206, 210, 217, AND 218	REPORTING AND RECORDKEEPING REQUIREMENT	HOURLY BURDEN	AVERAGE NUMBER OF ANNUAL RESPONSES	ANNUAL BURDEN HOURS
	(d)(2)(iii) Recordkeeping requirements are found at part 212 of this chapter.	Burden hours covered under OMB Control Number 1010-0140 (expires October 31, 2006).		
	(e)(2) You must submit corrected Form MMS-2014 to reflect adjustments to royalty payments in accordance with MMS instructions.	Burden hours covered under OMB Control Number 1010-0140 (expires October 31, 2006).		
	(h) If MMS reviews or audits your royalty payments, you must make available to authorized MMS representatives or to other authorized persons all transportation contracts and all other information as may be necessary to support a byproduct transportation allowance.	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions		
§ 206.359 HOW DO I DETERMINE BYPRODUCT TRANSPORTATION ALLOWANCES?				
206.359	(a)(2) . . . MMS will require you to determine the . . . MMS will notify you and give you an opportunity to provide written information justifying your transportation costs.	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		
	(c)(2)(i)(A) The purchase is necessary . . .	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		
	(d)(9) Any other directly allocable and attributable operating expense which you can document, including . . .	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions		
	(e) Allowable maintenance expenses include: . . . (4) Other directly allocable and attributable maintenance expenses, which you can document.	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions		
	(g) To compute costs . . . the lessee may not later elect to change to the other alternative without MMS approval.	1	1	1
	(h) To compute depreciation . . . After you make an election, you may not change methods without MMS approval.	1	1	1
§ 206.360 WHAT RECORDS MUST I KEEP TO SUPPORT MY CALCULATIONS OF ROYALTY OR FEES UNDER THIS SUBPART?				
206.360	. . . you must retain all data relevant . . .	Burden hours covered under OMB Control Number 1010-0140 (expires October 31, 2006).		
	Recordkeeping requirements are found in part 212 of this chapter.	Burden hours covered under OMB Control Number 1010-0140 (expires October 31, 2006).		

30 CFR PARTS 202, 206, 210, 217, AND 218	REPORTING AND RECORDKEEPING REQUIREMENT	HOUR BURDEN	AVERAGE NUMBER OF ANNUAL RESPONSES	ANNUAL BURDEN HOURS
	You must be able to show: (1) How you calculated . . . (2) How you complied . . . (b) Upon request, you must submit all data to MMS.	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		
§ 206.361 How will MMS DETERMINE WHETHER MY ROYALTY, GROSS PROCEEDS OR FEES ARE CORRECT?				
206.361	(b) . . . MMS may require you to increase the gross proceeds to reflect . . . MMS may require you to use another valuation method . . . MMS will notify you to give you an opportunity to provide written information justifying your gross proceeds . . .	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		
	(c) For arm's-length sales, you have the burden of demonstrating . . .	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		
	(d) The MMS may require you to certify that the provisions in your sales contract include . . .	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		
	(f)(2) Contract revisions or amendments you make must be in writing and signed by all parties to the contract.	1	1	1
§ 206.364 How do I REQUEST A VALUE OR GROSS PROCEEDS DETERMINATION?				
206.364	(a) You may request a value determination from MMS . . . Your request must: (1) Be in writing . . .	3	20	60
PART 210—FORMS AND REPORTS SUBPART H—GEOTHERMAL RESOURCES § 210.352 Payor information forms.				
210.352	The Payor Information Form . . . (f) Abandonment of a lease.	The payor information form was discontinued through reengineering by 2001. This rule removes geothermal references to the form from the Code of Federal Regulations. There are no current burden hours.		
PART 217—AUDITS AND INSPECTIONS SUBPART G—GEOTHERMAL RESOURCES §217.300 Audits or review of records.				
217.300	The Secretary, or his/her authorized representative shall initiate and conduct audits or reviews relating . . . Audits or reviews will also relate to compliance . . . All audits or reviews will be conducted in accordance with . . .	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		

30 CFR PARTS 202, 206, 210, 217, AND 218	REPORTING AND RECORDKEEPING REQUIREMENT	HOURLY BURDEN	AVERAGE NUMBER OF ANNUAL RESPONSES	ANNUAL BURDEN HOURS
PART 218—COLLECTION OF ROYALTIES, RENTALS, BONUSES AND OTHER MONIES DUE THE FEDERAL GOVERNMENT AND CREDITS AND INCENTIVES DUE LESSEES SUBPART F—GEOTHERMAL RESOURCES				
§ 218.306 MAY I RECEIVE A CREDIT AGAINST PRODUCTION ROYALTIES FOR IN-KIND DELIVERIES OF ELECTRICITY I PROVIDE UNDER CONTRACT TO A STATE OR COUNTY GOVERNMENT?				
218.306	(a)(2) MMS approves in advance your contract	4	1	4
BURDEN HOUR TOTAL		37		174

13. Provide an estimate of the total annual [non-hour] cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

(a) The cost estimate should be split into two components: (1) a total capital and start-up cost component (annualized over its expected useful life) and (2) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information [including filing fees paid]. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

(b) If cost estimates are expected to vary widely, agencies should present ranges of cost burden and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

(c) Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

We have identified no “non-hour” cost burdens for this collection of information.

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any

other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

The total annualized cost to the Federal Government is approximately \$8,700 based on a per-hour cost of \$50 and 174 burden hours. We estimate MMS will require 1 hour for each burden hour for industry.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

Item 13, OMB Form 83-I

The total burden hour estimate is 174 burden hours as a result of program change.

Item 14, OMB Form 83-I

There is no cost burden to report in Item 14 of OMB Form 83-I.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The MMS will not publish the data.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The MMS will display the OMB approval expiration date on Form MMS-2014. The remainder of this collection concerns regulatory requirements.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

To the extent that the topics apply to this collection of information, we are not making any exceptions to the "Certification for Paperwork Reduction Act Submissions."

B. Collection of Information Employing Statistical Methods

This section is not applicable for this collection. We will not employ statistical methods in this information collection.